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ABSTRACT

A field study was conducted to examine the communication behaviors by which seven bank executives identified problems. Data on the subjects' communication behaviors were obtained through observations, the written documents pertaining to the identification of problems by the subjects, and postobservational surveys and interviews of the subjects. The research findings are as follows: (1) Problems were identified through information scanning and information sharing, based on the executives' mangerial roles. (2) Problems were also identified by subordinates and filtered to senior management for attention and action. (3) The "squeaky wheel disorder" was an inappropriate filtering of problems from subordinates to senior executives. (4) Factors affecting the problem-identifying process were subordinates' apprehension, the need to make individuals accountable for identifying problems, and the credibility of the individual identifying a problem. (5) Six types of problem-identifying messages were used by the executives, including inconsistent information messages, stress messages, anticipation messages, scapegoating messages, threatening messages, and messages with opportunity/risk combinations. (RL)

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"Organization Problem Identification: A Qualitative Analysis of Senior Executives' Problem Identifying Communication Behaviors"

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Organizational Problem Identification:
A Qualitative Analysis of Senior Executives'
Problem Identifying Communication Behaviors

Senior level policy-making executives in organizations are responsible for the functioning of the organization and are held accountable for the setting and reaching of organizational goals. They are responsible for system maintenance and system changes in the organization. Senior executives then must identify, formulate and resolve problems implementing changes affecting the organization.

This field study examined the problem identification communication behaviors of senior executives engaged in the process of change.[1]

Method

Since the goal of this investigation was to describe and identify problem identifying communication behaviors of senior executives enacting organizational change, a qualitative field study approach was utilized. Data on the communication behaviors of the senior executives were obtained from the following sources:

1. nonparticipant observations of senior executives;
2. written documents pertaining to the identification of problems by the senior executives;
3. a post-observational survey of the senior executives; and
4. post-observational interviews of the senior executives.

[1]The data reported in this study is part of a study conducted by the author on the process of organizational problem formation.

The organization which participated in this investigation was a major bank in a medium sized city in the United States.

The human subjects in this investigation were members of the senior management problem-solving group in the bank. Members of this group had the responsibility for the identification, formulation and resolution of problems affecting the entire organization. Selection of senior management problem-solving group members was based on identification of an individual's power to participate in the identification, formulation and resolution of organizational problems. The subjects in the study included the following senior executives in the bank: Chairman of the Board, Chief Executive Officer, President, Senior Vice President of the Loan Division, Senior Vice President of the Operations Division, Senior Vice President of the Trust Division, and the Senior Vice President of the Marketing Division. The seven executives participating in this study were all white males over forty years of age.

These seven executives were responsible to the Board of Directors of the bank for the operation of the bank. Members of this group met weekly in a senior management meeting in which organizational problems were identified, formulated and resolved. These executives made decisions on changes that were to be implemented in the bank. They established organizational policies and procedures for the bank. Since these executives were not only responsible for the maintenance of existing systems operating in the bank but also had the power to change systems, observation of their communication behaviors in the enactment of change provided descriptive data on the problem identifying process in the bank.

Procedures

There were four steps in conducting this investigation: (1) pilot study; (2) target organization selection; (3) data collection; and

(4) data analysis.

Pilot Study

The pilot study refined observational data collection procedures and developed instruments for the primary investigation. The instruments developed in the pilot study were:

1. a post-observational survey; and
2. post-observational interview questions and format.

The organization participating in the pilot study was a small government agency consisting of 100 employees. There were eight senior level policy-making executives whose problem identifying communication behaviors were observed by the researcher in the pilot study. Over a three week period, the researcher collected 50 hours of observational data on these eight executives. Following the observation period, a survey was administered to the executives and eight hours was spent interviewing the executives.

The pilot study group members evaluated the data collection process and made suggestions for minimizing the researcher's effect on the organization. These suggestions were incorporated into the data collection procedures for the primary investigation.

Target Organization Selection

The second step in the investigation was the selection of the organization to participate in the primary investigation. The bank in this investigation is considered one of the top five banks in the city in which it is located. It is also a member of bank holding corporation. The bank has over 400 million dollars in assets and is primarily concerned with the making of commercial loans. The structure of the bank is typical with a Board of Directors, Chairman of the Board, Chief

Executive Officer, President and Senior Vice Presidents as the top of the hierarchical structure with middle management and line employees.

Prior to this investigation, the bank had experienced tremendous growth. In a period of eight years, the bank had grown from under 20 million dollars in total assets to over 400 million dollars in total assets. Due to this growth, the number of employees had also greatly increased. The problem-solving structure of the bank's senior management had also changed in the 15 months prior to this investigation. The bank had previously operated under a single, centralized problem-solving structure with most management decisions being made by the Chairman of the Board. The present problem-solving structure in the bank is team management with the problem-solving power and responsibilities distributed among the seven senior executives.

Data Collection

After having gained access to the organization, the third step in the investigation was the collection of data. There were four sources of data collected:

1. nonparticipant observations of communication behaviors of the senior level policy-making executives;

2. written documents pertaining to the problems being addressed by the senior executives;

3. a post-observational survey; and

4. post-observational interviews with the senior executives.

The researcher, trained in qualitative observation techniques as described by Glaser and Strauss (1967), and Brogdan and Taylor (1975), spend five weeks observing the senior executives in the bank. The non-participant observations consisted of a total of 117 hours of observation.

The procedure followed by the researcher in conducting the observations was to spend an entire day observing one executive. The observation days for the executives were randomized and no executive knew in advance what days he would be observed. For example, Monday would be spent observing the bank's President, Wednesday observing the Chief Executive Officer, and then Friday observing the President again. The researcher also observed five senior management committee meetings during the observation period. Other meetings involving the senior executives observed by the researcher were the Board of Directors' meeting, the monthly officers' meeting, the loan committee meeting, divisional meetings, and the morning management meeting.

Detailed field notes of the researcher's observations were made at the end of each day's observations. The researcher recorded 216 pages of field observations during the five week observation period. In addition to the field notes, the researcher wrote memos on the observations concerning her evaluations of the observations which were later used in the analysis of the data.

The researcher obtained written documents the senior executives sent and received during the observation period. The written documents collected included senior executives' memos, senior management committee meeting minutes, and reports generated by organizational reporting systems of the bank.

Following the collection of observational and written data, the researcher administered a survey to all the senior executives. The survey instrument had been developed and tested in the pilot study. The survey instrument identified the individuals' perceptions of the problem identifying process during the collection of observational data. The specific questions addressed in the survey were based on the observational

data gathered during the primary investigation. The data from the survey provided information on the problem identifying process from the individual's perspective which was later compared with other forms of data collected.

After the surveys had been filled out and returned, the researcher conducted an hour-long interview with each of the senior executives. The format for the interviews was directive, with the researcher asking the same 17 questions to all the senior executives. The questions and format for the interview were developed in the pilot study.

Data Analysis

After all forms of data had been collected the fourth step in the investigation was the analysis of the data. Since this study utilized qualitative research methods, the data derived from it were nominal. Analysis of the data followed the procedures of grounded theory developed by Glaser and Strauss (1967). The grounded theory approach was employed in this investigation because of its usefulness in identifying variables and relationships within a holistic framework. According to Mintzberg (1976:197) this kind of approach is needed in research. He states, "We are in the greatest need of more studies in which the researcher seeks to develop basic understanding by the process of induction." Description and understanding were the focus of the data analysis rather than prediction and control.

The steps in the analysis of data were as follows:

1. Compilation of raw data into episodes;
2. Categorization of the episodes;
3. Comparison and collapsing of episode categories;
4. Refinement of the categories and further collapsing of categories;

5. Labeling of categories of the senior executives' problem identifying behaviors.

The compilation of the four sources of data consisted of dividing the raw data into episodes. An episode was considered a complete thought expressed by a subject or act conducted by a subject. The principal criteria for dividing one episode from another was a change in topic or action by the subject.

The field notes were divided into 371 episodes. The interview data were divided into 105 episodes with each question in the interview being considered as one episode. Each question in the survey data was also considered as one episode, yielding a total of 140 episodes for all seven surveys. Each written document was considered as one episode yielding 15 episodes. A total of 631 episodes were used as the basic units of data in the analysis.

Research Findings

The problem identifying process includes patterns of episodes identifying problems either by the senior executive or for the senior executive. There are three aspects of the problem identifying process examined in this study. First, a description of the process of how problems are identified by senior executives is given. Secondly, factors affecting the problem identifying process are given. And thirdly, the types of messages occurring within the problem identifying process are described.

Problem Identifying Process

For a problem to be formulated and resolved, it first must be identified. If no one recognizes a situation as a problem, then, as far as the individuals in the situation are concerned, there is no

problem. The job of the manager in an organization is to identify, formulate and resolve problems. Organizational existence is built on the ability to establish routine behavior. Efficiency is built on the ability to establish routine patterns enabling individuals to perform more effectively. The job of the manager is to establish and maintain the enactment of routine behavior.

Problems can be generally classified into routine and non-routine problems encountered by managers. Although problems can be classified as routine and non-routine, this does not mean all problems are either totally unique or the exact replication of a previous problem. What the routine/non-routine classification establishes is a majority rule as the basis of classification. If a majority of past behaviors can be enacted to solve the problem then the problem is routine. If a majority of new behaviors must be developed for dealing with the problem then it is a non-routine problem. Identifying a problem then as routine or non-routine would seem to be a simple process. However, the deceptively simple sounding process is in fact quite complex.

The process of identifying routine and non-routine problems by senior executives involves the executive's managerial role. Even at the top of the organizational structure, there is specialization of roles and job responsibilities. What is classified as routine or non-routine is different among the executives depending upon their roles in the organization. For example, one of the routine problems for the CEO, Chairman of the Board, or President of the bank, is the making and approval of loans. In contrast, the routine problem of making loans would be identified as a non-routine problem for the Senior Vice President of the Marketing Division as his role does not identify loan making as a routine problem. Thus, an individual's role in the organization helps classify routine and non-routine problems.

Identification of routine and non-routine problems depends only partly upon the executive's role in the organization. Executives also identify routine and non-routine problems by scanning for and sharing information. Senior executives' information scanning behaviors consist of verbal and written requests for information from organizational members and from individuals outside of the organization. The information sharing behaviors of senior executives refers to the processes by which executives receive and send information. The organization usually has determined what is to be defined as a routine problem. So, when information is received it fits into either a category of routine problems or it does not, in which case, the problem is considered non-routine.

The organization has also developed standardized procedures for defining, deciding, and implementing routine problems. These routine problems and procedures can be very time consuming. According to Herbert Simon (1960:13), "An important principle of organizational design that has emerged over the years has been called facetiously 'Gresham's Law of Planning'. It states that programmed activity tends to drive out non-programmed activity. If an executive has a job that involves a mixture of programmed and non-programmed decision-making responsibilities, the former will be emphasized at the expense of the latter." Programmed activity can be equated with routine problems and non-programmed activity with non-routine problems. Thus what Simon is saying is that the dealing with routine problems limits the executive's time, energy and ability to deal with non-routine problems. "Gresham's Law of Planning" was certainly characteristic of many of the executives' behaviors in this investigation. The executives themselves recognized this behavior pattern. Examples of some of the comments made by executives concerning this behavior pattern include: "I spend more time doing than managing." "I am too directly involved in doing and need to spend more time managing." Executives tended to spend a large amount of their time on routine problems whether it was making loans or dealing with an irrate customer.

Non-routine problem identification involves novel situations where there is not a previous set of behaviors established to define, decide and implement the problem episode. There is little or no previous history for the handling of the problem. Since one of the executives' roles is to be responsible for setting the policy, structure, and goals of the organization, they deal with more non-routine problems than other levels of management in the organization. Non-routine problems (like routine) are identified by the executive through information scanning and information sharing processes.

Not only do executives identify problems, but problems are brought to them having already been identified and sometimes defined by subordinates. Problems are often passed through the organizational structure until they reach what has been determined the appropriate place for the problem to be dealt with. Each level of the organizational structure has the responsibility and authority to identify problems. Depending on the nature of the problem, it is either defined and solved at the level it was identified, or it is passed upward, downward, or horizontally in the organizational structure. Often, problem identification and formulation occur at one level in the organization and this information is sent upward in the organization's hierarchy for a decision on whether an action should be taken or not.

Although executives did handle both routine and non-routine problems which resulted from their own scanning and information sharing behaviors, they also spent a good deal of time on identified problems brought to them by subordinates. In many of these instances the problems were non-routine for the particular level in the organization which identified the problems. However, some of the problems were ones which could have been handled by subordinates instead of passing them upward to

senior executives. This pattern of behavior is labeled in this study as the squeaky wheel disorder.

The squeaky wheel disorder is characteristic of interactions between levels of power in the organization. Lower level executives identify problems (usually non-routine) and bring them to the attention of the next higher level of authority in the organization (in this study the senior executives). Now, in some instances this is appropriate behavior because the problem is one senior executives must address due to their decision-making power. For example, a report by John Doe to the senior executives identified that the definition of the loan review responsibilities was not clear and was a problem senior management needed to examine. Another example of appropriate upward filtering of problems occurred when the head of the Credit Card Department said to the Senior Vice President of the Loan Division, "I think there needs to be something in the loan policy as to who should get credit cards. Right now there is a lot of difference in criteria for getting credit cards." Senior Vice President, "Yeah, we need something to set the criteria for the credit cards, there may be something in the policy they are working on now. I'll bring it up this afternoon in the meeting." These problem examples are ones involving policy, thus, the senior executives are the ones who must deal with the problem.

Squeaky wheel disorders, however, are problems that should be dealt with by lower executives in the organization. It is an age old problem in an organization of when to go to the boss with a problem and when to try and solve the problem yourself. Many problems are brought to senior executives which could be solved at a lower level if there were clear criteria for when to bring a problem to the senior executive's attention. Usually, these criteria are norms that develop in the organization. If

the organization has been one where there was total central decision making, then the tendency is for the junior executive to bring everything to the senior executive's attention.

There are several things facilitating the squeaky wheel behavior pattern. Bringing problems to the senior executive provides payoffs for the junior executive. Just as the squeaky wheel gets the grease, so does the junior executive who has a non-routine problem. The junior executive gets to interact with higher status individuals in the organization which tends to be more satisfying than communication with lower status people. Also, the junior executive is given assistance in the form of organizational resources they would not have otherwise received. These resources include the senior executives time and attention. The anxiety of having to deal with the non-routine problem is also alleviated because the problem is being passed to a higher level of authority. An example of the squeaky wheel disorder was evident when three senior executives spent the better part of an entire morning dealing with a personnel problem which could have been handled at a lower level in the organization.

The junior executive is not the only one who receives payoffs in this type of interaction. Senior executives also tend to enjoy their role as master mechanics. As different parts of the machine heat up, the executive is there to lubricate, cool and keep the machine running. If this type of behavior pattern becomes predominant between lower and upper levels of management, a crisis managerial style tends to develop.

In the post-observational survey, senior executives described the problem identifying process from their perspective. When asked how problems come to their attention, executives identified information scanning, information sharing, and problem filtering as ways problems

are identified by them. The following is a composite of the ways executives stated they identify problems:

1. regular scheduled group meetings with managing officers under my supervision;

2. direct reports from managers as problems occur;

3. management reports that reveal exception cases;

4. complaints from customers or personnel in other areas of the bank not responsible to me;

5. audit reports;

6. the grapevine--informal chatter in coffee bar, lunch room, elevators, hall, etc.;

7. weekly meeting of senior management committee;

8. reports made at daily morning meeting;

9. requests for information or support from other managers relating to a problem they have discovered;

10. 90% of the problems come to my attention when officers report the problems to me for my knowledge; 10% are called to my attention by customers by telephone, on the street and in the bank; and

11. generally from employee "rumors" that more often than not have some semblance of being correct, or at least partially.

Factors Affecting Problem Identifying Process

Having described the senior executive problem identifying process, there are several factors affecting the enactment of this process. One factor affecting the problem identifying process is apprehension. Although not a major factor in the bank's problem identifying process, there were episodes which clearly identified subordinate apprehension in identifying

problems for senior management. Apprehension often occurs over identifying problems having negative consequences directly relating to the subordinate. The following conversation between two loan officers illustrates problem identification apprehension.

Loan officer one: "I hope that you are not going to be sick tomorrow."

Loan officer two: "Why?"

Loan officer one: "Because I don't want to present this to senior management by myself."

Another example also points to the tendency of subordinates to be apprehensive in identifying problems for senior management. One of the senior vice presidents told a group of his subordinates, "I don't want to have to read about problems in the newspaper." This communication indicated the executive had not been informed of problems in the past but wanted to be made aware of problems.

Another factor affecting the problem identifying process is accountability. Management wants and needs to have individuals, other than themselves, to be accountable for the problem identifying process. Senior executives do not have the time or the access to information necessary to identify problems in all the different areas of the organization. One of the senior vice presidents expressed the need for accountability to a group of his subordinates, "We need to define who is to do what. We need to have someone responsible for what is happening with the projects... someone that management could raise hell with." This kind of communication not only establishes that someone is needed to monitor the situation and identify problems, but it also tends to reinforce problem apprehension on the part of subordinates.

A final factor affecting the problem identifying process is the credibility of the individual who identifies problems in the organization.

Management tends to stereotype individuals based on the number and kind of problems the individual identifies and brings to senior management's attention. The individual who is constantly bringing problems to the executive's attention, no matter how small, loses some of his credibility. These individuals fail to screen problems thus flood senior management with problems that should be handled at lower organizational levels. This "wolf crying" behavior lessons the person's problem identifying credibility. Although there is a tendency to ignore "wolf criers", senior management cannot afford to miss the one time the cry "wolf" is for real. Therefore, they process all cries and screen the problems themselves, giving credibility only to the messages they deem important. Comments used in this screening process include, "We can't ignore this issue, let's look at this realistically." The word "realistically" was a key buzz word used to signal to others the executive was giving credibility to a problem.

In the post-observational interview, senior executives were asked what they thought management could do to increase the effectiveness of the problem identifying process. Their answers included managerial role behaviors, information scanning, and information sharing behaviors as means for improvement of the problem identifying process. The following is a composite of their answers:

1. I would like to see cross visitation between members of senior management.

2. Have the senior officers meet for 10 minutes each morning to give a recap of the day before and what is happening for that day and set up a time for more lengthy discussion of a problem if needed. In other words, increase the daily contact of senior management, having them feel more like a team.

3. There needs to be better modes of communication among the departments and also with the employees in general. An example of the lack of communication with employees was that the bank sent out mailers to customers on fraud but did not give the information to our own employees.

4. Priorities often get out of focus, this is reflected down the organizational structure. I get too involved with customers. It is easier for me to do it than to get someone else to do it. We don't delegate as well as we should. We need to spend more time managing than doing.

5. We need to have time to read, understand, and ask questions about management reports. I need to float around the bank and see what is going on. I am too directly involved in the doing. We need to spend more time managing and use information we have more effectively.

6. We need to keep up on what's going on with banks and what problems they are having. We need to read and check to see if other banks' problems fit our situation. If the problem does fit our bank's present situation, we would be vulnerable to the problem.

Message Types in Problem Identifying Process

Having described the problem identifying process, factors affecting the process, and identified ways of improving the process, specific types of messages occurring with the problem identifying process are described.

According to Janis and Mann (1977:172), "Being exposed to information about a threat or opportunity that effectively challenges a current course of action marks the beginning of the decision making process." Although threats and opportunities are two forms of problem identifying messages that emerged in the data, other types of messages also served to identify problems for the senior management. In this section six different types of problem identifying messages are described and examples of each given.

Inconsistent Information Messages

Messages containing information which is inconsistent with previous messages identifies problems for senior management. This type of message occurred in all forms of communication engaged in by the executives from extemporaneous encounters and written materials to structured group interactions. Messages are of the inconsistent information type when the message contains new information which is inconsistent with previously received data. An example of the inconsistent information message type is given in the following episode:

The President of the bank established a policy and procedures for working with another organization on a financial deal. He communicated all the arrangments to the bank's employees who would be carrying out the policy and procedures. After this communication had taken place, several of the employees reported new information to the President which indicated some people thought the policy was different from that which the President had presented.

Employee one: "You stated that the A people had to qualify for the loan. The A people seem to think they do not have to qualify like they do for a regular loan."

Employee two: "I waited to see the person in the organization who is supposed to be working with us on this for 30 minutes and then left my card and the person has not called me back."

In this episode the President received new information about a situation which was inconsistent with the past information he had about the situation. This inconsistency alerted the President that a problem existed in the enactment of the policy and procedures governing the financial deal.

New information may also be inconsistent with previously set goals of the organization which identify problems for senior management. The bank generates financial and statistical information on the functioning of the

bank. The reports are compared with the financial goals of the bank set forth in the budget. As each week's report is analyzed, differences between performance and budget projections and profit margins identify problem areas. When senior executives were asked on the post-observational survey how they identify problems in the bank, one of the ways specified was through the reporting systems of the bank.

Another example of the way inconsistent information messages identify problems is a situation in which information contradicts the planned functioning of the bank's systems. Often, these messages are in the form of customer complaints. The customer has been promised a service or has previously received a service setting his expectations for the bank's performance. The inconsistency occurs when the bank's output does not match the customer's expectations. For example, a customer called and was upset over payroll checks not having been delivered. This alerted the senior executive to a problem in the delivery of service to a customer. The more inconsistent the information the more severe the problem.

Anticipation Messages

Another type of problem identifying message is the anticipation of a problem message. Anticipation messages consist of "one step ahead" framing of expectations based on signs or warnings of the possibility of a future event. The ability to stay "one step ahead" by anticipating problems is a major part of the senior executive's job. Being "caught with your pants down", "hanging out" on an issue, being "popped on an issue", or being caught "off guard", are expressions used by senior executives to emphasize the importance of anticipating organizational problems.

There are numerous examples in the data of executives using anticipation messages to identify potential problems. The following are five

examples of anticipation messages. Example one concerns a policy decision the executives had to make as to whether to allow a particular charity to come into the bank to solicit contributions from the bank's employees. One of the senior executives commented, "If you let one in they (other charities) will want and demand to come in and collect." Example two deals with the anticipation of work coordination problems. A senior executive commented, "We need to be careful who is assigned to what business development calls because the account may have outgrown the individual assigned to make the call." The third example consists of a report from the head of personnel on the need for training of managers in the EEOC area. The personnel director reported EEO had targeted banking and the coal mining industries for the coming year for close scrutiny in the application of EEOC guidelines. Example four also deals with training needs. The CEO asked the Senior Vice President of the Trust Division to consider a training effort to make the bank's officers aware of the effects of the current economic situation on the Trust Division's assets and on the problems this may cause with the bank's reports to its trust customers. A fifth example occurred in the senior management meeting when the CEO asked, "Have we ever checked corporate resolutions? We could have a serious problem. Bank X is presently having a problem. We have never been popped on this, but we have been popped on everything else."

Not only do executives anticipate problems based on their own information scanning and information sharing behaviors, but anticipation is also a result of others anticipating or warning the executive of potential problems. Example three demonstrates subordinate anticipation of a problem with EEO. Individuals outside of the organization also present anticipation messages to executives. For example, an individual stopped by to give the President some information on a financial deal the two were coordinating.

The individual told the President, "The agents are the ones that are going to give you hell on this deal." This information set the President's expectations for potential problems he may encounter in working with the agents.

In keeping "one step ahead", the severity of the situation mentioned in the anticipation message influences when a situation is defined as a problem. For example, the CEO stated, "Loan officers are not really addressing yield. We're seeing some low yields - these are not attractive - but no one is ready to preach a sermon." The anticipation message here is that there is potential for a problem unless behaviors change.

Scapegoating Messages

Scapegoating messages identify problems based on limited bits of information and reliance on past problem identification. This type of message simplifies the problem identifying process. If a bit of information reminds an individual of a past problem identification structure, the tendency exists to again identify the same problem. Scapegoating requires less information scanning and information sharing behaviors to be enacted, thus, reducing the behaviors needed to identify the problem. If time pressures exist, the pressure to identify the problem quickly may result in scapegoating as it saves the executive time.

Characteristic of scapegoating is the tendency for tangential information to be interpreted as the key to the identification process. For example, if a payroll doesn't get out on time then it's a computer problem. The key information here is the computer is responsible for getting the payrolls out. The problem is a mechanical one which must be lived with. The problem may in fact be more complex. For instance, there may be a lack of priorities on the computer work done, or a number of other problems that don't have anything to do with the machine. Another example of scapegoating

is the following statement, "The ABC loan system malfunctioning is a problem with personnel." It is much easier to identify a person as the entire problem than to identify complicated work processes needing coordination.

Threatening Messages

Another type of message which identifies problems is a threatening communication. Threatening messages convey the intent to hurt, destroy, punish and/or damage some aspect of the bank's functioning. The threatening message's target could be an individual, work process, or goal of the organization.

Threats can be either contingent or noncontingent, depending on their message form. Contingent threats take the message form of, "If you do (or not do) X then I will do Y." From an organizational perspective, if the senior executives do X (or not X) then Y will happen. Specific behaviors and consequences are targeted in contingent threats. For example, a complaint was filed by another bank with the FCC against the bank in this investigation. The complaint alleged the bank was using misleading advertising. The threat of being investigated by the FCC and taken to court was explicit. If the advertisement was continued and was found to be misleading, then the FCC would investigate and possibly fine the bank for this behavior. This threatening message identified a problem for executives--the content of the advertising. The bank could sustain a financial loss as well as damage to its public image if the advertising problem was not solved.

Noncontingent threats take the message form of, "I will do X or not X." The threat is not made explicitly contingent on the target's enactment of specific behaviors. Examples of noncontingent threats to the bank include such things as an ouside audit of the bank's operations, and changes in the financial environment threatening the bank's profit making capabilities.

These threats are not contingent on the behavior of the organization but present potential loss or damage for the organization.

The content, frequency, intensity, and timing of threats provide data for inferential judgments about the problems identified by the threats. Additionally, there are several other effects threatening messages may have on the problem identifying process. The use of high levels of threat or anxiety may actually cause people to fail to recognize all the responses they have available to them. Rapoport (1960) has described this process as the "blindness of involvement". Sales (1972) suggests threats change a person's style of thinking and behavior. According to Sales, the thinking process becomes more rigid and stereotyped when people are threatened, and people are less sensitive to change and inconsistent information. The lack of sensitivity to inconsistent information could explain the failure to recognize or identify problems when threatened, and the reliance on scapegoating for problem identification.

Stress Messages

Stress messages are another type of communication which identifies problems. Whereas threat messages express an intention to hurt, destroy, or punish, stress messages convey strain, pressure, urgency, and importance. Thus, stress messages differ from threat messages both in the content and the intent of the message. Stress messages accent the importance of a specific area and place strain and pressure on individuals in carrying out their responsibilities in reaching organizational goals.

The following group of episodes depict the effect of stress messages on the problem identifying process. During a structured group interaction, the managers from the Data Processing Department were taken to task over the operation of their department. Other managers wanted to know why

certain expectations were not being met by the Data Processing Department in servicing areas of the bank and in providing services to other banks. Data Processing managers were admonished to improve the functioning of the Data Processing Department. There was no threat of punishment or harm to Data Processing, but the communications accented the need for Data Processing to do something to improve the situation. Following this meeting the Data Processing managers met with their employees and communicated the stress messages. The stress lead to scanning for information about why the operation was not functioning as expected.

The Data Processing employees identified several problems. First, the direction of the data processing work was coming from outside the Data Processing Department, and because of this more communication was needed with the managers of other departments. Secondly, calls from customers interrupted the work of the programmers hindering the work processes in the department. These identified problems were communicated to the senior executive responsible for the department. Thus, stress communication helped the managers and employees identify problems. Stress activated information scanning and information sharing behaviors needed to identify problems.

Opportunity/Risk Messages

Another form of communication occurring in the problem identifying process is the opportunity/risk message. This message type has two components. One component of the message deals with an opportunity for the organization. The opportunity message component conveys information concerning a chance for improvement, accomplishment of goals, or some kind of favorable advantage. Problems by their definitions are often conceptualized as negative. However, problems may also be positive, presenting an opportunity for an individual or organization to make improvements. Risk is the other component of this

message type. Risk involves negative information which usually counters all or part of the opportunity component of the message. So in the problem identifying process, the risk message component is compared to the opportunity message component to determine the identification of the problem (see Figure 1).

$$\frac{\text{RISK}}{\text{OPPORTUNITY}} = \text{PROBLEM IDENTIFICATION}$$

Figure 1

There are three general rules used in comparing the opportunity/risk message components to determine the outcome of this type of problem identification.

1. High opportunity compared with low risk identifies the problem as an opportunity problem.

2. High risk compared with low opportunity identifies the problem as a risk problem.

3. High risk compared with high opportunity instigates conflict over the identification of the problem. The conflict is over whether the problem is an opportunity problem or a risk problem.

The amount or risk versus the amount of opportunity influences whether the problem is identified as an opportunity or as a risk. It seems taking advantage of an opportunity or taking a risk, depending on the identification of the problem, affects how executives go about information scanning and information sharing.

The first two rules are clear and seem to be easily distinguishable by the senior executives. An example of a high opportunity/low risk problem identification in the bank was the XYZ deal in which the bank functioned as an intermediary in a financial arrangement. The bank would receive a high profit yield from the arrangement with little or no investment

of money. This meant the bank gained profits with a low risk of any loss or profit. Based on these components of the message, the problem was identified as an opportunity problem. The behaviors of executives once the problem was identified as an opportunity included no additional scanning and sharing of information. The problem was turned over to the President of the bank for action.

The second rule is equally as easy to identify in that high risk and low opportunity is identified as a risk problem. For example, in the case of the routine problem of making a loan, if an individual or business has no means for repayment of the loan, the risk is high and the opportunity to accomplish an organizational goal of making a profit is low. Thus, the problem is identified as a risk problem. Once the problem is identified as a risk, the scanning behaviors and information sharing behaviors are limited as the risk is not seen as worthwhile for the organization.

The third rule is a more complex problem identification situation. High risk and high opportunity create conflict over the identification of the problem. For example, the opportunities in expanding computer services to other banks could provide large profits for the bank. The risk is also high because taking advantage of the opportunity may decrease the ability of the bank to service its own operations. Also involved in this risk is the potential for technical malfunctioning. The potential for both great loss and great gain are contained in the messages. The innovations in the area of electronic banking are also an example of high opportunity/ high risk. The bank may identify an electronic innovation as a chance to be first on the market with a new service or technique. But due to the untested nature of the innovation, there is a high risk of its being a disaster.

High opportunity/low risk identification and low opportunity/high risk identification simplify the information scanning and information sharing needed to identify the problem. Whereas high risk/high opportunity because of its conflicting components generate the need for more information scanning and information sharing. The organizational climate may also influence the problem identification process in these situations. The identification of a problem as either a risk or an opportunity may be partially dependent on whether the organization is growth oriented, innovative, or maintains the status quo. A growth climate would be more inclined to emphasize the opportunity component of the message, whereas maintaining the status quo would be more inclined to stress the risk component of the message. Thus, the organizational climate may influence the executives' behaviors in the problem identification process.

Summary and Research Implications

This field study examined the problem identification communication behaviors of senior executives. There were three aspects of the problem identifying process examined in this study. First, a description of the process of how problems were identified by senior executives was given. Secondly, factors affecting the problem identifying process were described. And thirdly, the types of messages occurring within the problem identifying process were given. The following is a summary of the research findings.

1. Problems were identified by senior executives through information scanning and information sharing processes based on the senior executives' managerial roles.

2. Problems were also identified by subordinates and filtered to senior management for the executives' attention and action.

3. The squeaky wheel disorder was an inappropriate filtering of problems from subordinates to senior executives. Subordinates presented

problems to the senior executives which should have been handled by the subordinates.

4. Factors affecting the problem identifying process were:
   a. subordinates appeared to be apprehensive in identifying problems for senior executives in some instances;
   b. direct accountability of an individual for the problem identifying process was needed at various levels in the organization; and
   c. the source credibility of the individual identifying a problem affected the level of importance attributed to the problem.

5. There were six types of problem identifying messages used by organizational members:
   a. Inconsistent Information Messages--identified problems by presenting new data which conflicted with previously received information;
   b. Stress Messages--identified problems by accenting the importance of a specific area and placing strain and pressure on individuals in carrying out their responsibilities in reaching organizational goals;
   c. Anticipation Messages--identified problems by establishing a "one step ahead" framing of expectations based on signs or warnings of the possibility of future events;
   d. Scapegoating Messages--identified problems on limited bits of information with reliance on past problem identification which simplified the problem identifying process;

e. Threatening Messages--identified problems by expressing the intent to hurt, destroy, punish, and/or damage an individual, work process, or goal in the organization; and

f. Opportunity/Risk Messages--identified problems by comparing conflicting message components.

6. The following three rules governed the comparing of message components in the opportunity/risk messages:

a. $\frac{\text{High Risk}}{\text{Low Opportunity}}$ = risk problem identified;

b. $\frac{\text{High Opportunity}}{\text{Low Risk}}$ = opportunity problem identified; and

c. $\frac{\text{High Risk}}{\text{High Opportunity}}$ = conflict over problem identification.

The importance of the problem identifying process for senior executives is obvious. The more effective executives are at identifying organizational problems, the more effective they will be at planning and managing the changes needed to solve the organization's problems. This investigation provides information useful for executives and organizational consultants in analyzing the managerial problem identifying process and identifying means for increasing the manager's effectiveness in identifying organizational problems.

This investigation also expanded Janis and Mann's (1977) typology of messages which identify problems. They state that either a threat or opportunity message identifies a problem and is the beginning of the decision-making process. The types of messages identifying problems were expanded in this study to include inconsistent information messages, stress messages, anticipation messages, scapegoating messages, and opportunity/risk messages. These types of problem identifying messages provide a typology for the analysis of problem identifying communications within an organization. Research on the frequency and utilization of these different message

types in the problem identifying process is needed. Heavy reliance on one or several message types may substantially affect the problem identifying process. If management only used or recognized threats or scapegoating messages, the identification of problem may be simplified resulting in faulty problem identification. As identified with the opportunity/risk messages, there may be other rules for the ways different message types identify problems. Although questions remain concerning the process of problem identification by executives, research in this area is needed as it provides a way improvements may be identified for organizational functioning. At a time when executives are faced with more complex situations and problems, such research is necessary.

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